

**LOS ANGELES CITY PLANNING DEPARTMENT
RECOMMENDATION REPORT**

CITY PLANNING COMMISSION

DATE:	June 9, 2005	CASE NO:	CPC 2005-1101- CA
TIME:	After 8:30 a.m.*	CEQA:	ENV 2005-1102-CE
PLACE:	Room 1010 City Hall 200 N. Spring Street Los Angeles, CA 90012	LOCATION:	Citywide
		COUNCIL DISTRICTS:	All
		PLAN AREAS:	All

PUBLIC HEARING REQUIRED

REQUEST: Amendments to Sections 12.22; 12.24; 14.00; and 19.01 of the Los Angeles Municipal Code

SUMMARY: A proposed ordinance (Appendix A) amending various sections of the Los Angeles Municipal Code to comply with revisions to the State Law regarding density bonus for affordable housing development and proposed revisions to the “Affordable Housing Incentives Guidelines” (Appendix B), which implements the ordinance.

RECOMMENDATION:

1. **Adopt** the staff report as its report on the subject.
2. **Adopt** the attached findings.
3. **Approve** the proposed ordinance (Appendix A) and recommend adoption by City Council.
4. **Approve** the revised Affordable Housing Incentives Guidelines (Appendix B)

Staff:

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Table of Contents		Page
I	Summary	2
II	Findings	2
III	Staff Report	
	Background	4
	Discussion	5
	Conclusion	13
	Environmental Impact	13
	Appendix A (Proposed ordinance)	Attached
	Appendix B (Revised guidelines)	Attached

ADVICE TO PUBLIC: *The exact time this report will be considered during the meeting is uncertain since there may be several other items on the agenda. Written communications may be mailed to the *Commission Secretariat, 200 North Main Street, Room 532, Los Angeles, CA 90012* (Phone No. 213/978-1300). While all written communications are given to the Commission for consideration, the initial packets are sent to the week prior to the Commission’s meeting date. If you challenge these agenda items in court, you may be limited to raising only those issues you or someone else raised at the public hearing agendized herein, or in written correspondence on these matters delivered to this agency at or prior to the public hearing. As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability, and upon request, will provide reasonable accommodation to ensure equal access to this programs, services and activities. Sign language interpreters, assistive listening devices, or other auxiliary aids and/or other services may be provided upon request. To ensure availability of services, please make your request no later than three working days (72 hours) prior to the meeting by calling the Commission Secretariat at 213/978-1300.

SUMMARY

Since 1995, the City of Los Angeles has administered an Affordable Housing Incentives program that implements Section 65915 of the State Government Code. This program, as detailed in the Affordable Housing Incentives Guidelines adopted by the City Planning Commission, has permitted developers to voluntarily include units for lower and very low income households, senior citizens, and low income individuals with disabilities in exchange for a by-right density bonus of 25% in excess of the number of units otherwise permitted by the zoning. In 2003, the City amended the Zone Code to include an additional incentive (up to a 35% density bonus) for such developments that are constructed near a major transit stop or large employment center.

Recent changes in State Law require that the City amend its Affordable Housing Incentives program. SB 1818, signed into law in September 2004, reduces the number of units that must be set aside as affordable to qualify for a density bonus and reduces the by-right bonus. The law also allows a gradual increase of the bonus to a maximum of 35% as the percentage of affordable units is increased. The new law requires cities to provide additional incentives or concessions, such as increases in height and floor area and reductions in setbacks for developers to include affordable housing units in their developments. SB 1818 permits a density bonus for senior housing projects and for applicants for a subdivision or other residential development projects that donate land to the City for affordable housing. Lastly, SB 1818 continues previous density bonus provisions to encourage the inclusion of child care facilities in affordable housing projects.

This report describes the new regulations and how the Department of City Planning proposes to implement State Law. Attachment A is a proposed ordinance for approval by the City Planning Commission and recommendation for adoption by the City Council. Attachment B is the revised Affordable Housing Incentives Guidelines for adoption by the City Planning Commission.

FINDINGS

1. In accordance with Charter Section 556, the proposed ordinance (Appendix A) is in substantial conformance with the purposes, intent, and provisions of the General Plan. This ordinance will encourage the development of housing, which is in keeping with the need for housing for all income levels, as stated in the General Plan; and
2. In accordance with Charter Section 558 (b)(2), the proposed ordinance (Appendix A) relates to the Housing Element of the General Plan, by encouraging development of affordable housing by complying with State law that requires the City to adopt an ordinance to implement Government Code Section 65915, the State's density bonus law, and
3. In accordance with Charter Section 558 (b)(2), the proposed ordinance (Appendix A) will be in conformity with the public necessity, convenience, general welfare and good zoning practice. This ordinance will provide additional opportunities and incentives for the development of affordable housing and will facilitate the production of housing throughout the City, and
4. The proposed ordinance (Appendix A) is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 2, Subsection (m) of

the City's CEQA Guidelines (ordinances which do not of themselves have an impact on the physical environment as they are enabling legislation only).

The enactment of the proposed ordinance (Appendix A) will not result in any additional environmental impacts. The proposed ordinance (Appendix A) implements State law and neither adds nor lessens environmental review requirements for any density bonus project. Any proposed project seeking approval under this ordinance would be subject to CEQA requirements, relative to any impacts generated, and

5. The proposed fee for an application for a by-right density bonus and one or more incentives on the Menu of Incentives/Concessions, and the proposed fee for a request for a density bonus and incentives not on the Menu or a waiver of a development standard, are not new fees but revisions of existing fees for discretionary permits for similar processes. The work necessary for review of a density bonus case is similar in scope to the Site Plan Review fee for residential projects, currently \$882 (L.A.M.C. Section 19.01 S). The L.A.M.C. includes a fee for projects requesting a density increase beyond that permitted by right and it is currently \$3099. (L.A.M.C. Section 19.01 O). This fee will also be applied to requests for additional incentives or for a waiver of development standard as permitted by State law.

APPROVED BY:

CON HOWE
Director of Planning

REVIEWED BY:

JANE BLUMENFELD
Principal City Planner

PREPARED BY:

SHARON MAYER
City Planner

STAFF REPORT

BACKGROUND

In 1995, the City developed the Affordable Housing Incentives program and the Planning Commission adopted the Affordable Housing Incentive Guidelines to implement State law (Government Code Section 65915) that permitted a by-right 25% density bonus for projects that set aside a required number of units as affordable housing for 30 years. The City's implementing ordinance permitted any size project to qualify for the density bonus as long as the requisite number of affordable units were set aside. In 2003, the Council amended the Zoning Code to permit a 35% density bonus for similar projects built close to major transit stops and large employment centers.

On September 9, 2004 the Planning Commission approved the Updated Affordable Housing Incentives Guidelines reflecting 2004 median income, rental rates and sales price information. On that date, the Department was asked to report back with recommendations for making the Guidelines consistent with recent changes in State law.

Since 1995 when the Affordable Housing Incentive program was adopted, there have been two significant amendments to the State density bonus law.

- (1) In 2002, it was amended to permit developers of housing to request an incentive or concession in order to make a project feasible. If requested, the law required the City to meet with the applicant and grant the concession or incentive. To deny such a request, the law required that the City make a written finding that either the concession or incentive is not required to provide for affordable housing, or the concession or incentive will have a specific adverse impact upon public health and safety, or the physical environment or on a property listed in the California Register of Historical Resources, and there is no way to reasonably mitigate or avoid the adverse impact without making the project unaffordable to Low and Moderate Income households. The 2002 amendments to Code Section 65915 stated that cities could not apply any development standard that will have the effect of precluding construction of affordable housing at the density permitted by the density bonus program. The amendments also affirmed that Government Code Section 65915 does not supersede or in any way alter or lessen the effect or application of the California Coastal Act. It is not, therefore applicable to any property within the boundaries of a Certified Local Coastal Plan.
- (2) In September 2004, the Governor signed SB 1818, which again amends Government Code Section 65915 and became effective January 1, 2005. The new law lowers both the set-aside requirements for affordable units and the density bonus. As additional affordable units are set aside it gradually increases the density bonus to a maximum of 35%. SB 1818 provides for housing developers to obtain additional incentives or concessions as the percentage of affordable units is increased. It also permits housing developers to request a waiver of development standards to make a project feasible. Cities must grant requested concessions unless the above-cited findings are made and the law permits developers to initiate judicial proceedings if the City refuses. If the City is unsuccessful in defending such a suit, the plaintiff is entitled to reasonable attorney's fees and costs of the suit. SB 1818 also includes density bonus provisions

for senior housing projects and for applicants for a subdivision or other residential development projects that donate land to the City for affordable housing. Lastly, SB 1818 continues previous density bonus provisions to encourage the inclusion of child care facilities in affordable housing projects.

SB 1818 requires cities to adopt implementing ordinances. The proposed ordinance (Appendix A) and revised Guidelines (Appendix B) incorporate the new density bonus provisions and an implementation methodology that addresses the incentives and concessions.

DISCUSSION

Since 1995, when the State first adopted a density bonus law, the City's Affordable Housing Incentives program has provided developers with the option of voluntarily including affordable units in market rate housing projects and thereby qualifying for the right to build more units than permitted by the zoning. Developers could qualify for a by-right density bonus of 25% if they set-aside 20% of the units in a project for Lower Income Households, with rents not to exceed 30% of 60% of the Area Median Income (AMI). Alternatively, developers could qualify for a 25% density bonus if they set aside 10% of the project's units for Very Low Income Households, with rents not to exceed 30% of 50% of the AMI. Currently, the maximum income level for Lower Income household family of 4 is \$52,400 and the maximum income level for a Very Low Income household family of 4 is \$32,750.

As mentioned previously, in 2003, the City amended the Zoning Code to permit a by-right 35% density bonus if the above-noted percentages of affordable housing units are included in projects along transit corridors and near major employment centers.

New Density Bonus Provisions

SB 1818 essentially halves the number of units that developers must set aside as affordable for 30 years to qualify for a density bonus. It also reduces the base by-right density bonus from 25% to 20%. Developers can increase the bonus to a maximum of 35% by increasing the number of set-aside units. For each 1% increase in the percentage of Very Low Income affordable units, a developer will receive an additional 2.5% density bonus up to a maximum of 35%. For each 1% increase in the percentage of Lower Income affordable units, a developer will receive an additional 1.5% density bonus up to a maximum of 35%. State law also calls for all density calculations resulting in a fractional number to be rounded up to the next whole number. Following is a table showing the new set-aside requirements for Lower and Very Low Income Households and corresponding density bonus.

PERCENTAGE OF SET-ASIDE UNITS AND CORRESPONDING DENSITY BONUS

VERY LOW INCOME HOUSEHOLDS EARNING <50% AMI		LOWER INCOME HOUSEHOLDS EARNING 50%-80% AMI	
Set-Aside Units	Density Bonus	Set-Aside Units	Density Bonus
5%	20.00%	10%	20.00%
6%	22.50%	11%	21.50%
7%	25.00%	12%	23.00%
8%	27.50%	13%	24.50%
9%	30.00%	14%	26.00%
10%	32.50%	15%	27.50%
11%	35.00%	16%	29.00%
		17%	30.50%
		18%	32.00%
		19%	33.50%
		20%	35.00%

The following tables are examples of how these provisions would apply to a 10-unit building and a 50-unit building:

SET-ASIDE UNITS AND DENSITY BONUS FOR 10-UNIT BUILDING

VERY LOW INCOME HOUSEHOLDS EARNING <50% AMI 10 UNITS ALLOWED BY THE ZONING				
Set-Aside Units		Bonus Units		Total Project Units
Calculation	Units	Calculation	Units	
5% x 10 = .50	1	20% x 10 = 2.00	2	12
6% x 10 = .60	1	22.5% x 10 = 2.25	3	13
7% x 10 = .70	1	25% x 10 = 2.50	3	13
8% x 10 = .80	1	27.5% x 10 = 2.75	3	13
9% x 10 = .90	1	30% x 10 = 3.00	3	13
10% x 10 = 1.0	1	32.5% x 10 = 3.25	4	14
11% x 10 = 1.1	2	35% x 10 = 3.50	4	14

LOWER INCOME HOUSEHOLDS EARNING 50%-80% AMI 10 UNITS ALLOWED BY THE ZONING				
Set-Aside Units		Bonus Units		Total Project Units
Calculation	Units	Calculation	Units	
10% x 10 = 1.0	1	20% x 10 = 2.00	2	12
11% x 10 = 1.1	2	21.5% x 10 = 2.15	3	13
12% x 10 = 1.2	2	23% x 10 = 2.30	3	13
13% x 10 = 1.3	2	24.5% x 10 = 2.45	3	13
14% x 10 = 1.4	2	26% x 10 = 2.60	3	13
15% x 10 = 1.5	2	27.5% x 10 = 2.75	3	13
16% x 10 = 1.6	2	29% x 10 = 2.90	3	13
17% x 10 = 1.7	2	30.5% x 10 = 3.05	4	14
18% x 10 = 1.8	2	32% x 10 = 3.20	4	14
19% x 10 = 1.9	2	33.5% x 10 = 3.35	4	14
20% x 10 = 2.0	2	.35% x 10 = 3.50	4	14

SET-ASIDE UNITS AND DENSITY BONUS FOR 50-UNIT BUILDING

VERY LOW INCOME HOUSEHOLDS EARNING <50% AMI 50 UNITS ALLOWED BY THE ZONING				
Set-Aside Units		Bonus Units		Total Project Units
Calculation	Units	Calculation	Units	
5% x 50 = 2.50	3	20% x 50 = 10.00	10	60
6% x 50 = 3.00	3	22.5% x 50 = 11.25	12	62
7% x 50 = 3.50	4	25% x 50 = 12.50	13	63
8% x 50 = 4.00	4	27.5% x 50 = 13.75	14	64
9% x 50 = 4.50	5	30% x 50 = 15.00	15	65
10% x 50 = 5.00	5	32.5% x 50 = 16.25	17	67
11% x 50 = 5.50	6	35% x 50 = 17.50	18	68

LOWER INCOME HOUSEHOLDS EARNING 50%-80% AMI 50 UNITS ALLOWED BY THE ZONING				
Set-Aside Units		Bonus Units		Total Project Units
Calculation	Units	Calculation	Units	
10% x 50 = 5.00	5	20% x 50 = 10.00	10	60
11% x 50 = 5.50	6	21.5% x 50 = 10.75	11	61
12% x 50 = 6.00	6	23% x 50 = 11.50	12	62
13% x 50 = 6.50	7	24.5% x 50 = 12.50	13	63
14% x 50 = 7.00	7	26% x 50 = 13.00	13	63
15% x 50 = 7.50	8	27.5% x 50 = 13.75	14	64
16% x 50 = 8.00	8	29% x 50 = 14.50	15	65
17% x 50 = 8.50	9	30.5% x 50 = 15.25	16	66
18% x 50 = 9.00	9	32% x 50 = 16.00	16	66
19% x 50 = 9.50	10	33.5% x 50 = 16.75	17	67
20% x 50 = 10.0	10	35% x 50 = 17.50	18	68

For Sale Condominium and Planned Development Projects

SB 1818 also permits a 5% density bonus for condominium and planned development projects that set aside 10% of the units in the development for sale to an initial occupant who meets Moderate Income levels, i.e. those earning up to 120% of Area Median Income (currently \$71,400 for a family of 4.) For each additional 1% set-aside, the developer may receive a 1% density bonus up to a maximum of 35%. The owner of the set-aside unit can sell that unit any time at an unrestricted price. At the time of re-sale, the owner can recoup his/her down payment, and the value of any improvements, but any profit must be shared with the City. The City's share is equal to the percentage by which the initial sale price to the Moderate-Income Household was less than the fair market value of the home at the time of the initial sale. These funds are to be used within three years for the construction, rehabilitation, or preservation of affordable housing for Extremely Low, Very Low, Lower, and Moderate-Income persons or families. Presumably, such monies would be provided to the City's Housing Trust Fund.

Staff, in consultation with the Los Angeles Housing Department, has determined that the 5% density bonus provided by State law for these projects is insufficient to achieve the goal of encouraging Moderate Income for-sale units. Therefore, staff recommends that the density bonus for a 10% set-aside be raised to 20%, consistent with the bonus for Lower Income units. And, as

set forth in the State law, for each additional 1% set-aside, the developer would receive a 1% density bonus up to a maximum of 35%.

LAHD has determined that equity sharing is the preferred method of ensuring ongoing availability of affordable housing upon re-sale of affordable restricted units. LAHD will be preparing implementing guidelines for the re-sale of Moderate, Lower and Very Low Income restricted units.

Senior Citizen Projects

SB 1818 revises density bonus provisions for senior citizen projects. To comply with Federal Fair Housing laws, projects qualifying for a density bonus must set-aside 100% of the units for seniors. (There is no income restriction.) Such projects automatically qualify for a 20% density bonus. Although not specifically addressed in the State Law, staff is recommending that senior citizen projects receiving a density bonus be required to sign a Covenant with the Housing Department to ensure that the units remain restricted to senior citizens, as defined in Section 51.3 of the State Civil Code, for a period of 30 years.

The law does not address incentives or increased density bonus for affordable senior projects. However, staff recommends that projects that set aside at least 10% of the units for Lower Income seniors or 5% of the units for Very Low Income seniors automatically qualify for the additional 15% density bonus, for a total density bonus of 35%. This is generally consistent with the other parts of the law that permit projects to obtain an additional 1.5% bonus for each 1% set-aside for Lower Income units and an additional 2.5% bonus for each 1% set-aside for Very Low Income units.

Application of State Density Bonus

SB 1818 applies to all projects with five or more units. The City's affordable housing program has historically encouraged use of this tool to encourage mixed income units in all multiple zones and therefore the Zoning Code has permitted its applicability to three or more units. The proposed ordinance retains this provision.

Donation of Land

SB 1818 permits an applicant for a subdivision, parcel map or other residential development approval to obtain a 15% density bonus, if the applicant donates land to the City that meets, at a minimum, the following criteria:

- The developable acreage and zoning of the land being transferred are sufficient to permit construction of at least 10% of the number of residential units in the proposed development.
- The transferred land is at least one acre in size or of sufficient size to permit development of at least 40 units.
- The transferred land is within the boundary of the proposed development, or with the City's agreement, within ¼ mile of the development.
- The transferred land is fully entitled to permit the number of required affordable units.

- The applicant donates and transfers the land no later than the date of approval of the final subdivision map, parcel map or residential development application.

For each additional 1% land donated, the applicant may obtain an additional 1% density bonus up to a maximum of 35%. Also, an applicant may receive a density bonus for setting aside affordable units within the development project with the total bonus not to exceed 35%.

Child Care Facilities

SB 1818 did not change existing provisions in State Law for affordable housing projects that include a child care facility on site. Such projects are eligible for either:

- Additional square footage of residential space that is, at a minimum, equal to the amount of square feet in the child care facility, or
- An additional concession or incentive that contributes significantly to the economic feasibility of the construction of the child care facility.

By Right Incentives

Parking

In addition to the incentives/concessions referenced above, SB 1818 provides parking standards that may be requested by a developer of a density bonus project and that the City must grant if requested. These standards apply not only to the restricted affordable units (the set-aside units) but also to the entire project. These standards are inclusive of handicapped and guest parking and apply to rental and for-sale projects as follows:

- 0 – 1 bedrooms: one onsite parking space
- 2 – 3 bedrooms: two onsite parking spaces
- 4 or more bedrooms: 2½ parking spaces

If the total number of spaces required in the development results in a fractional number, it is rounded up to the next whole number. Tandem parking and uncovered parking are also permitted to meet these parking requirements.

Transit Corridor / Major Employment Centers

In 2003 the City adopted an ordinance (No. 174,995), which added 10% to the existing by-right 25% density bonus for projects that set aside the required number of affordable units and are located:

- At or within a 1,500 foot radius of an existing or major bus center, bus stop along a major bus route (defined as a bus route with peak-hour headways of 15 minutes or less in two directions in at least two of the three hours between 4:00 p.m. and 7:00 p.m.), or fully funded mass transit station; or
- At or within a 1,500 foot radius of an intersection of transit priority arterials; or

- In or within a 1,500 foot radius of the boundaries of a regional center; or
- In or within a 1,500 foot radius of boundaries of a major economic activity area (LAX, the Port of Los Angeles and Downtown);
- Within 1,500 feet of the boundaries of a college or university with an enrollment exceeding 10,000 students.

The purpose of the 35% density bonus ordinance was to encourage the development of affordable housing in conjunction with market rate development and locate it on sites adjacent to transportation or employment centers, to maximize opportunities for residents to utilize transit. The ordinance was consistent with the policies articulated in the City's General Plan Framework. Staff recommends that the City continue to provide the additional 10% bonus, as a matter of right, to projects that comply with the affordable housing set-aside requirements and the above criteria.

Incentives and/or Concessions

Since the 2002 amendment to the density bonus law, State law has required cities to grant at least one incentive or concession to make a project feasible. An incentive or concession is defined as a reduction in a development standard or modification of the Zoning Code. The law permits a developer to request any other regulatory incentive or concession that would result in identifiable, financially sufficient and actual cost reductions. The law cites reductions in parking (beyond the maximum parking standards also included in the law that apply to the entire project), minimum lot size, height, and setback requirements as examples of concessions or incentives that would assist in the production of affordable units. SB 1818 requires cities to offer additional incentives as the percentage of set-aside units increases as follows:

Very Low Income Households:

- One Incentive/Concession – 5% set-aside
- Two Incentives/Concessions – 10% set-aside
- Three Incentives/Concessions – 15% set-aside

Lower Income and Moderate Income Households:

- One Incentive/Concession – 10% set-aside
- Two Incentives/Concessions – 20% set-aside
- Three Incentives/Concessions – 30% set-aside

As discussed above, State law requires the City to grant the request for concessions or reduction in development standard or make written findings that:

- The concession or incentive is not required to provide for affordable housing costs or for rents for the targeted units to be set-aside, OR
- The concession or incentive will have a specific adverse impact upon public health and safety, on the physical environment or on a property listed in the California Register of Historical Resources (and/or on a property that contains a City of Los Angeles Historic-Cultural Monument), and there is no way to reasonably mitigate or avoid the adverse impact without making the project unaffordable to Moderate, Lower or Very Low Income Households.

Developers may initiate judicial proceedings if the City refuses to grant the request. If the City is unsuccessful in defending such a suit, the plaintiff is entitled to reasonable attorney's fees and costs of the suit.

Menu of Incentives and/or Concessions – Director's Determination with Appeal to Area Planning Commission

Rather than permitting every developer to propose any deviation from any zone code provision, at any level of magnitude, the Department recommends creating a menu of incentives and/or concessions from which project developers may choose. The following menu is intended to reflect modest, yet meaningful deviations that are generally consistent with existing Zoning Code adjustments and affordable housing incentives.

- Up to 20% deviation from yard/setback requirements (each deviation counts as one incentive)
- Up to 20% deviation from lot coverage requirements
- Up to 20% deviation from lot width requirements
- Up to 20% deviation from floor area requirements
- Up to 20% deviation from open space requirements
- Up to 20% additional building height, with the exception of properties within a Specific Plan for which 10% additional building height will be permitted
- Include area of street and alley dedication for purposes of calculating density
- A reduction or waiver in parking requirements to include:
 - Not less than .5 parking space for each dwelling unit restricted to Very Low or Lower Income senior citizens
 - A reduction in parking requirements to not less than 1 parking space per restricted dwelling unit irrespective of number of habitable rooms.

Staff recommends that projects requesting incentive(s) from the above menu be required to complete the appropriate environmental review, file an application, pay requisite fees and provide information to Department regarding the project and the site, sufficient for the Department to determine that the incentive(s) is needed to provide the affordable housing. Project applicants may utilize the Expediting Unit after payment of the appropriate fee.

The Director, or his/her designee will review the information provided and issue a determination based on State law and the Affordable Housing Incentives Guidelines (Appendix B). Notice of the determination will be provided to abutting property owners who, along with the applicant, will have the right to appeal the matter to the Area Planning Commission. Notice of the determination will also be provided to the local Council office and Certified Neighborhood Council.

In conformance with State law, denial of a request must include documentation that either the concession or incentive is not required to provide for affordable housing, or the concession or incentive will have a specific adverse impact upon public health and safety, on the physical environment or on a property that includes an Historic-Cultural Monument as declared by the

City, State or Federal government, and there is no way to reasonably mitigate or avoid the adverse impact without making the project unaffordable to Moderate, Lower or Very Low Income Households.

Projects Requesting Other Incentives or Waivers – City Planning Commission Approval with Appeal to City Council

For projects requesting a density bonus and a waiver of a development standard or concession not on the Menu of Incentives/Concessions, the Department recommends that the matter be decided by the City Planning Commission with appeal to the City Council. Applicants will complete the appropriate environmental review, file an application, pay requisite fees and provide information to the Department regarding the project and the site, sufficient for the Department to determine the need for the incentive(s) or waiver. Project applicants may utilize the Expediting Unit after payment of the appropriate fee. Notice of hearing will be provided to property owners and occupants of property within a 500' radius of the property involved in addition to the Certified Neighborhood Council and local Council office. Any individual person noticed will have the right to appeal.

As noted above, any denial of a request must include documentation that either the concession or incentive is not required to provide for affordable housing, or the concession or incentive will have a specific adverse impact upon public health and safety, on the physical environment or on a property that includes an Historic-Cultural Monument as declared by the City, State or Federal government, and there is no way to reasonably mitigate or avoid the adverse impact without making the project unaffordable to Moderate, Lower or Very Low Income Households.

Affordable Housing Incentives Guidelines

The Affordable Housing Incentives Guidelines (Guidelines) are a companion document to the implementing ordinance. They provide descriptions, explanations and examples of how the density bonus law works. The Guidelines were adopted by the Planning Commission in 1995 and updated in September 2004. The revised Guidelines proposed for adoption herein (Appendix B) have been revised to reflect the new State law and the City's implementing ordinance. The Guidelines also include an Appendix with examples of density bonus calculations and the latest income, rental and for-sale prices for affordable units, as determined by the Los Angeles Housing Department.

Fees

The Department proposes a fee be imposed on density bonus incentive applications. Staff recommends revising existing fees for processes that require similar work by City staff. Staff recommends that the fee for processing applications for a by-right density bonus and one or more incentives on the Menu of Incentives/Concessions be the Site Plan Review fee for residential projects, currently \$882. The review and determination of a density bonus application with incentives will be similar to the Site Plan Review applications which includes assuring that the plans comply with the Affordable Housing Incentives Guidelines and may include suggestions for altering or modifying a project or its incentive(s) to minimize any impacts.

Staff proposes that the fee for processing a density bonus application for incentives or concessions not on the Menu or for a waiver of a development standard, as permitted by State law be the current fee for projects requesting a density increase beyond that permitted by right, currently \$3099. These projects require additional review and analysis of the request, meetings with applicants, and notice and appeal procedures similar to cases requesting the increased density bonus.

The Los Angeles Housing Department intends to propose a fee or fees to offset that Department's costs of preparing the necessary documents and ongoing monitoring of this program.

CONCLUSION

The proposed ordinance (Appendix A) and revised Affordable Housing Incentives Guidelines (Appendix B) provide a balanced approach to implementing recent changes in the State density bonus law.

ENVIRONMENTAL IMPACT

The attached proposed ordinance (Appendix A) is exempt from the requirement of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 2, Subsection (m) of the city of Los Angeles CEQA Guidelines (ordinances which have no negative impact on the physical environment) as this is enabling legislation only and each individual project will have its own environmental review.

Proposed Ordinance for Discussion

Density Bonus

An ordinance amending Sections 12.22.A 25; 12.24.U 26; 14.00 A 2; and 19.01.O of the LAMC to implement a density bonus program, as required by State law.

Section 1. Subdivision 25 of Subsection A of Section 12.22 of the LAMC is hereby amended to read as follows:

25. **Affordable Housing Incentives/Density Bonuses.** ~~(Added by Ord. No. 170,764, Eff. 12/30/95.)~~

(a) **Purpose.** The purpose of this subdivision is to establish procedures for implementing state density bonus requirements, as set forth in California Government Code Section 65915, as amended, and to increase the production of affordable housing, consistent with City policies.

(b) **Definitions.** Notwithstanding any provision of this article to the contrary, the following definitions shall apply to this subdivision:

~~—**Affordable Accessible Unit**—a dwelling unit or guest room that is adapted to be used by persons who are physically disabled, based on the criteria of Title 24 of the California Code of Regulations or any amendment thereto, where the household income of the residents does not exceed Social Security Supplementary Income (SSI) levels, and where the rent is restricted to no more than approximately 30% of the resident's Social Security Supplementary Income (SSI) level according to a rent schedule prepared by the City's Housing Department.~~

Affordable Housing Incentives Guidelines - the guidelines approved by the City Planning Commission by which applications for affordable housing density bonus projects are evaluated for compliance with the goals and policies of ~~the City's Affordable Housing Incentives Program~~ Section 65915 of the California Government Code.

Affordable Housing Units - dwelling units ~~or guest rooms~~ for which rental or mortgage payments do not exceed the limits stated in Section 65915 of the California Government Code. Dwelling units ~~or guest rooms~~ designated for lower income households, as defined in Section 50079.5 of the California Health and Safety Code, shall have rents not exceeding 30 percent of 60 percent of the area median income as set forth on a rent schedule prepared by the City's Housing Department or any successor agency. Dwelling units ~~or guest rooms~~ designated for very low income households, as defined in Section 50105 of the California Health and Safety Code, shall not have rents exceeding 30 percent of

50 percent of the area median income as set forth on a rent schedule prepared by the City's Housing Department or any successor agency.

Area Median Income - the estimate of median income in the Los Angeles-Long Beach Primary Metropolitan Statistical Area that is determined periodically by the United States Department of Housing and Urban Development (HUD) or any successor agency, adjusted for household size, and which is published periodically.

Density Bonus - a density increase over the otherwise maximum allowable residential density granted pursuant to California Government Code Section 65915. ~~(Amended by Ord. No. 174,995, Eff. 1/15/03.)~~

Incentive or Concession - A reduction in a development standard or a modification of the Zoning Code.

Income, Lower, and ~~Very Low~~ or Moderate - annual income of a household that does not exceed the area median for the income category as specified in California Health and Safety Code Sections 50079.5, ~~and~~ 50105, or 50093, as determined by the City's Housing Department.

Mass Transit Station - a transit stop for a fixed rail system, or a major bus center. A station is one that is currently in use or whose location is proposed and for which a full funding contract has been signed by all funding partners, or one for which a resolution to fund a preferred alignment has been adopted by the Los Angeles County Metropolitan Transportation Authority or its successor agency.

Major Bus Route - a bus route with peak-hour headways of 15 minutes or less in two directions in at least two of the three hours between 4:00 p.m. and 7:00 p.m.

Restricted Affordable Unit - an affordable housing unit in a development rented or sold to a household with very low, ~~or~~ lower, or moderate income residents, and/or lower or very low income senior citizens. ~~In order for a development to qualify as a~~ For a rental development containing one or more restricted affordable housing units, the owner shall record a document with the Los Angeles County Recorder guaranteeing that the relevant affordability criteria will be observed for at least 30 years from the issuance of the Certificate of Occupancy. In the case of for-sale units to Moderate Income households, the owner shall comply with requirements set forth by the Los Angeles Housing Department.

Senior Citizens - individuals who are at least 62 years of age, except that for density bonus projects of at least ~~450-~~ 35 units, a threshold of 55 years of age may be used, provided all applicable City, state, and federal regulations are met.

~~**Single Room Occupancy Hotel**—an apartment building, hotel or other structure containing six or more guest rooms, and which may also contain dwelling units, in which 30% or more of the dwelling units or guest rooms do not contain private baths and toilet facilities within the dwelling unit or guest room.~~

~~—(e) **Affordable Housing Incentives Guidelines.**~~

~~—(1) Following a public hearing, the City Planning Commission shall adopt and may amend Affordable Housing Incentive Guidelines which shall address such issues as development standards, incentive options, application formats and performance standards.~~

~~—(2) Housing projects qualifying for reduced parking, increased density, deferred fees, or other incentives shall conform to all applicable provisions of the Affordable Housing Incentives Guidelines adopted by the City Planning Commission.~~

~~-(d)(c) **Affordable Housing Production By-Right Incentives.** Notwithstanding any provisions of this article to the contrary, density bonus projects, and other development projects with any restricted affordable units or any affordable accessible units, shall be granted the following incentives:~~

(1) Parking. The following maximum parking standards, inclusive of handicapped and guest parking, which shall apply to the entire project, not just the restricted affordable units, when requested by a developer:

- (i) 0 – 1 bedroom dwelling unit: 1 onsite parking space
- (ii) 2 – 3 bedrooms dwelling unit: 2 onsite parking spaces
- (iii) 4 or more bedrooms: 2½ parking spaces

If the total number of spaces required results in a fractional number, it shall be rounded up to the next whole number.

(2) Transit Corridor/Major Employment Center. Additional 10% density bonus (not to exceed a maximum of 35% density bonus) for projects that meet the following criteria:

(i) At or within a 1,500 foot radius of an existing or major bus center, bus stop along a major bus route or fully funded mass transit station; or

(ii) At or within a 1,500 foot radius of an intersection of transit priority arterials; or

(iii) In or within a 1,500 foot radius of the boundaries of a regional center; or

(iv) In or within a 1,500 foot radius of a major economic activity area; or

(v) Within 1,500 feet of the boundaries of a college or university with an enrollment exceeding 10,000 students.

~~—(1) In calculating dwelling units or guest rooms, density shall be rounded upwards from fractions of one half (1/2) and more from that permitted by the applicable zone to allow one additional dwelling unit or guest room.~~

~~—(2) Parking requirements for each restricted affordable unit only shall be as follows:~~

For a project located within 1,500 feet of a mass transit station or major bus route	1.00 parking space per dwelling unit, regardless of the number of habitable rooms
For a project containing 1 or 2 habitable rooms and not located within 1,500 feet of a transit station or major bus route	1.00 parking space per dwelling unit
For a project containing 3 or more habitable rooms and not located within 1,500 feet of a transit station or major bus route	1.50 parking spaces per dwelling unit
For any project containing units designed for senior citizens and/or disabled persons	0.50 parking space per dwelling unit or guest room
For a single room occupancy hotel	0.25 parking space per dwelling unit or guest room, with a minimum of 5 parking stalls per facility

(d) **Incentives or Concessions.** In addition to by-right incentives identified in Paragraph (c), density bonus projects and other development projects with any restricted affordable units shall be granted one, two or three incentives or concessions as follows:

(1) For development projects with Very Low Income restricted units:

(i) One incentive or concession if 5% of the units (not including the bonus units) are set aside for very low income households.

(ii) Two incentives or concessions if 10% of the units (not including the bonus units) are set aside for very low income households.

(iii) Three incentives or concessions if 15% of the units (not including the bonus units) are set aside for very low income households.

(2) For development projects with Lower Income or Moderate Income restricted units:

(i) One incentive or concession if 10% of the units are set aside for lower or moderate income households.

(ii) Two incentives or concessions if 15% of the units are set aside for lower income or moderate income households.

(iii) Three incentives or concessions if 20% of the units are set aside for lower or moderate income households.

(3) Housing development projects that meet the requirements of Government Code Section 65915(b) and include a child care facility that will be located on the premises of, as part of, or adjacent to, the project, shall be granted an additional concession or incentive that contributes significantly to the economic feasibility of the construction of the child care facility.

(e) **Menu of Incentives/Concessions.** Development projects that meet the qualifications of Paragraph (d) may request one or more of the following incentives, as applicable:

(1) Up to 20% deviation from yard/setback requirements.

(2) Up to 20% deviation from lot coverage requirements.

(3) Up to 20% deviation from lot width requirements.

(4) Up to 20% deviation from floor area requirements.

(5) Up to 20% deviation from open space requirements.

(6) Up to 20% additional building height, except for properties within a Specific Plan for which 10% additional building height will be permitted.

(7) Area of required street and/or alley dedication included as lot area for purposes of calculating density

(8) A reduction or waiver of required parking to include:

(i) 1 space per restricted dwelling unit irrespective of the number of habitable rooms and/or

(ii) .5 space for each dwelling unit restricted to Very Low or Low Income senior citizens.

(4) (9) Such other incentives as are identified in the approved Affordable Housing Incentive Guidelines.

~~(5) The owner of any development project with restricted affordable units or affordable accessible units utilizing affordable housing incentives shall record a Covenant and Agreement, satisfactory to the Los Angeles Housing Department or its successor agency, to preserve the affordability of the designated units for 30 years.~~

(e) (f) **Density Increases and Calculation.** The following shall apply to any development project involving the construction of three or more new dwelling units, or involving the remodeling of or addition to an existing building or buildings, resulting in a project which meets the qualifications of California Government Code Section 65915(b):

~~(1) A housing development, as defined by California Government Code Section 65915(g), containing the requisite number of dwelling units and/or guest rooms which meet the qualifications of California Government Code Section 65915(b), will be granted a density bonus of 25% as a matter of right and will be eligible to utilize the incentives set forth in Subparagraph (d) above.~~

~~(2) A development project involving the construction of less than five new dwelling units or guest rooms, or involving the remodeling of or addition to an existing building or buildings, resulting in a project containing the requisite number of dwelling units or guest rooms which meet the qualifications of California Government Code Section 65915(b) will be granted a density increase of 25% as a matter of right and will be eligible to utilize the incentives set forth in Subparagraph (d) above.~~

~~(3) **(Added by Ord. No. 174,995, Eff. 1/15/03.)** A housing development, as defined by California Government Code Section 65915 (g), containing the requisite number of dwelling units and/or guest rooms, which meet the qualifications of California Government Code Section 65915(b), will be granted a density bonus of 35 percent as a matter of right and will be eligible to utilize the incentives set forth in Paragraph (d) above, provided the Department of City Planning determines that the development project is constructed:~~

~~(i) at or within a 1,500 foot radius of an existing or fully funded major bus center, bus stop along a major bus route or mass transit station (as defined in Section [13.09 B.3.](#));~~

~~(ii) at or within a 1,500 foot radius of an intersection of transit priority arterials (as identified on the map in the Transportation Element);~~

~~(iii) in or within a 1,500 foot radius of the boundaries of a regional center (as designated in the Citywide General Plan);~~

~~(iv) in or within a 1,500 foot radius of the boundaries of a major economic activity area (as defined in the Citywide General Plan Framework Element); or~~

~~(v) within 1,500 feet of the boundaries of a college or university with an enrollment exceeding 10,000 students.~~

(1) Rental Housing. A housing development containing the requisite number of dwelling units which meet the qualifications of California Government Code Section 65915(b)(1) or (2), and (c)(1), will be granted a minimum density bonus of 20% as a matter of right and is eligible to utilize the incentives as set forth in Paragraphs (c) and (d) above.

(2) Senior Housing (Market Rate). A housing development which meets the qualifications of California Government Code Section 65915(b)(3) will be granted a minimum density bonus of 20% as a matter of right and is eligible to utilize the incentives as set forth in Paragraphs (c) and (d) above.

(3) Senior Housing With Lower and Very Low Income Restricted Affordable Units. A housing development which meets the qualifications of California Government Code Section 65915(b)(3) and (c)(1) and constructs at least 10% of the total units for Lower Income households, or 5% of the total units for Very Low Income households will be granted an increase in the bonus of 15% as a matter of right, to a maximum of 35%, and will be eligible to utilize the incentives as set forth in Paragraphs (c) and (d) above.

(4) For-Sale Housing With Lower and Very Low Income Set-Aside. A for-sale housing development project which meets the qualifications of Government Code Section 65915(b)1 or 2 and complies with the resale requirements set forth in Government Code Section 65915(c)(2) will be granted a minimum density bonus of 20% as a matter of right and is eligible to utilize the incentives as set forth in Paragraphs (c) and (d) above.

(5) For-Sale Housing with Moderate Income Set-Aside. A for-sale housing development project which meets the qualifications of Government Code Section 65915(b)(4) and (c)(2) and constructs at least 10% of its units for Moderate Income households will be granted a density bonus of 20% as a matter of right and will be eligible to utilize the incentives as set forth in Paragraphs (c) and (d) above.

(6) Land Donation. An applicant for a subdivision, parcel map or other residential development approval who donates land to the City of Los Angeles as provided for in Government Code Section 65915(h), will be granted a density bonus of 15% above the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan for the entire development.

(7) Child Care. A housing development that conforms to the requirements of Government Code Section 65915(b) and includes a child care facility that will be located on the premises of, as part of, or adjacent to, the project, will be

granted a density bonus by-right that is an amount of square feet of residential space equal to the amount of square feet in the child care facility.

(8) Density Bonus Increase. A housing development will be granted an increase in the bonus up to a maximum of 35% by increasing the number of restricted affordable units, as follows:

(i) For each 1% increase in the percentage of restricted Very Low Income affordable units, a housing development will receive an additional 2.5% density bonus up to a maximum of 35%.

(ii) For each 1% increase in the percentage of restricted Lower Income affordable units, a housing development will receive an additional 1.5% density bonus up to a maximum of 35%.

(iii) For each 1% increase in the percentage of Moderate Income affordable units, a for-sale housing development will receive an additional 1% density bonus up to a maximum of 35%.

(iv) For each 1% increase above the minimum 10% land donation described in Government Code Section 65915(h)(2), the density bonus shall be increased by 1% to a maximum of 35%. This increase shall be in addition to any increase in density mandated by Subparagraph (f)(1) above, up to a maximum combined by-right density increase of 35%.

(9) Fractional Units. In calculating density bonus or set-aside units, any number resulting in a fractional number shall be rounded upwards to the next whole number.

(g) Procedures

(1) For projects requesting a density bonus without any incentives, or a density bonus with by-right incentives and/or one or more incentives included in the Menu of Incentives/Concessions in Paragraph (e) above, the following shall apply:

(i) The request shall be made on a form provided by the Department of City Planning, accompanied by applicable fees.

(ii) The Director of Planning or his/her designee shall issue a determination pursuant to Government Code Section 65915 and the Affordable Housing Incentives Guidelines adopted by the City Planning Commission.

(iii) Pursuant to Government Code Section 65915, the Director or his/her designee shall approve a density bonus and requested incentives/concessions unless he/she finds that:

- a. The incentive or concession is not required to provide for affordable housing costs as defined in Section 50052.5 of the Health and Safety Code, or for rents for the affordable units, or
- b. The concession or incentive will have a specific adverse impact upon public health and safety, on the physical environment, or on any real property that includes an Historic-Cultural Monument, as declared by the City, State or Federal government, and for which there is no feasible method to satisfactory mitigate or avoid the specific adverse impact without rendering the development unaffordable to Moderate, Lower or Very Low Income households.

(iv) Notice. Notice of the determination shall be provided to the applicant and all owners of properties abutting, across the street or alley from, or having a common corner with the subject property .

(v) Appeal. The determination by the Director of Planning shall be final unless appealed to the Area Planning Commission within 15 calendar days of the date of mailing. The appeal shall include a filing fee pursuant to Section 19.01B of this Code. An applicant and an owner or occupant of an abutting property may appeal the determination. The decision of the Area Planning Commission shall be final.

(2) For projects requesting a waiver of a development standard or an incentive/concession not included in the Menu of Incentives/Concessions in Subparagraph (e) above, the following shall apply:

(i) The request shall be made on a form provided by the Department of City Planning, accompanied by applicable fees.

(ii) Hearing and Notice. An application pursuant to this subdivision shall follow the procedures for conditional uses set forth in Section 12.24.D. A public hearing shall be held by the City Planning Commission or its designee, and the Commission shall issue a determination. The public hearing may be waived if the applicant submits with the application a written waiver of public hearing from all the owners of all properties abutting, across the street or alley from or having a common corner with the subject property.

(iv) Pursuant to Government Code Section 65915, the City Planning Commission shall approve a density bonus and requested incentives/concessions unless a finding is made that:

- a. The incentive or concession is not required to provide for

affordable housing costs as defined in Section 50052.5 of the Health and Safety Code, or for rents for the affordable units, or

- b. The concession or incentive will have a specific adverse impact upon public health and safety, on the physical environment, or on any real property that includes an Historic-Cultural Monument, as declared by the City, State or Federal government, and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to Moderate, Lower or Very Low Income households.

(vi) Appeal. The decision of the City Planning Commission shall be final unless appealed to the City Council pursuant to Section 12.24.I.

(3) Covenant.

(i) A covenant shall be recorded with the Los Angeles County Recorder, acceptable to the Los Angeles Housing Department for any density bonus project containing rental housing units for Seniors or for Lower or Very Low Income households, guaranteeing that these affordability criteria will be observed for at least 30 years from the issuance of the Certificate of Occupancy.

(ii) A covenant shall be recorded with the Los Angeles County Recorder, acceptable to the Los Angeles Housing Department and consistent with the for-sale requirements of Section 65915(c)(2) of the California Government Code, for Moderate, Lower or Very Low Income households.

(h) **Certified Local Coastal Plans.** Notwithstanding any other provision of this Code, none of the provisions of this Subdivision 25 of Subsection A of Section 12.22 of this Code shall apply to any property located within the boundaries of a Certified Local Coastal Plan.

(3)(i.) **Fees.** Payment of fees may be deferred at the option of the developer pursuant to the provisions of Section 19.01 and 19.05 of the Los Angeles Municipal Code.

Section 2. The Title of Section 12.24 U 26 is hereby amended to read as follows:

26. Density bonus for a development project, in which the density increase is greater than 25 percent that permitted in Section 12.22 A 25.

Section 3. Subdivision 2 of Subsection A of Section 14.00 is hereby amended to read as follows:

2. Density increase for an affordable housing development project to provide for additional density in excess of a ~~25 percent density increase~~ that permitted in Section 12.22 A 25.

Section 4. Subsection O of Section 19.01 is hereby amended to read:

O. DENSITY INCREASE. (~~Amended by Ord. No. 176,076, Eff. 8/10/04.~~)

Type of Application	Filing Fee
<u>Application for a by-right density bonus and a request for one or more incentive/concessions included in the Menu of Incentives/Concessions pursuant to Section 12.22 A 25(e).</u>	\$882.00
<u>Application for a by-right density bonus pursuant to Section 12.25 A 25 and a request for an incentive/concession or waiver of development standard not included in the Menu of Incentives/Concessions pursuant to Section 12. 22 A 25 (e).</u>	\$3,099.00
Application for a density increase in excess of 25 percent that permitted by Section 12.22 A 25, pursuant to Section 12.24 U 25 and Section 14.00 A.2. (Payment of the filing fee may be deferred until prior to the issuance of any Certificate of Occupancy, or until two years after the City’s final decision granting or denying the application, whichever comes first. Moreover, the payment may be deferred only if a covenant and agreement is recorded with the County Recorder, to the satisfaction of the Housing Department, which covenant and agreement preserves the affordability of the restricted units in the event that the application is granted. No Certificate of Occupancy for the development project may be issued unless the developer presents evidence that the fee has been paid and all other requirements for its issuance have been met.)	\$3,099.00

Proposed Guidelines for Discussion

AFFORDABLE HOUSING INCENTIVES GUIDELINES

Implementing the State Density Bonus Law
California Government Code Section 65915

TABLE OF CONTENTS

- I. Scope and Purpose
- II. Definitions
- III. Density Bonus and Set-Asides (See Appendix for Examples)
- IV. By-Right Incentives
- V. Other Affordable Housing Incentives
- VI. Procedure for Projects Requesting Incentives/Concessions
- VII. Design Standards for Affordable Units
- VIII. Affordability Requirements (See Appendix for Household Income, Maximum Rents and Purchase Prices)
- IX. LAHD Monitoring Requirements
- X. Procedure for Obtaining Housing Department Sign-Off for Building Permit Application
- XI. Contact Information
- XII. Appendix
 - Percentage of Set-Aside Units and Corresponding Density Bonus
 - Sample Set-Aside and Density Bonus for 10-Unit Building
 - Sample Set-Aside and Density Bonus for 50-Unit Building
 - Sample Set-Aside and Density Bonus for 10-Unit Building With 10% Transit Incentive
 - Sample Set-Aside and Density Bonus for 50-Unit Building With 10% Transit Incentive
 - Household Income for Set-Aside Units - Updated for 2005
 - Maximum Rents for Set-Aside Units - Updated for 2005
 - Maximum Purchase Price for Set-Aside Units - Updated for 2005

AFFORDABLE HOUSING INCENTIVES GUIDELINES

I. SCOPE AND PURPOSE

As required by State law, the Municipal Code implements the State's density bonus provisions by setting forth the density bonus program requirements, incentives and procedures. These Guidelines more fully describe the density bonus provisions and qualifying criteria; the incentives available to qualifying projects; and the procedures whereby projects may apply for a bonus and incentives.

The Guidelines may be modified by resolution of the Planning Commission.

II. DEFINITIONS

Area Median Income (AMI) – The estimate of median income in the Los Angeles – Long Beach Primary Metropolitan Statistical Area that is determined periodically by the US Department of Housing and Urban Development (HUD), adjusted for household size and which is published periodically.

Density Bonus -- A density increase over the otherwise maximum allowable residential density pursuant to California Government Code Section 65915. The density bonus shall apply to housing developments consisting of three or more dwelling units.

Incentive or Concession – A reduction in a development standard or a modification of the Zoning Code.

Moderate Income, Lower Income and Very Low Income – Annual income of a household that does not exceed the Area Median Income for the income category as specified in the California Health and Safety Code Sections 50079.5 and 50105. (See Appendix for Annual Household Income Levels)

Mass Transit Station – A transit stop for a fixed rail system or Major Bus Center. A station is one that is currently in use, whose location is proposed and for which a full funding contract has been signed by all funding partners, or one for which a resolution to fund a preferred alignment has been adopted by the Los Angeles County Metropolitan Transit Authority.

Major Bus Route – A bus route with peak-hour headways of 15 minutes or less in two directions for 2 of the 3 hours between 4:00 p.m. and 7:00 p.m.

Senior Citizens – Individuals who are at least 62 years of age, except that for density bonus projects of at least 35 dwelling units, a threshold of 55 years of age may be used, provided all applicable City, State and federal regulations are met.

III. DENSITY BONUS AND SET-ASIDES (SEE APPENDIX FOR EXAMPLES)

Density bonus provisions apply to projects of 3 or more units. Projects qualify for a **20% density bonus**, if they provide the following tenant set-asides for a period of at least 30 years, as established by State Law:

- **5% of the dwelling units for Very Low Income households**, earning no more than 50% of the AMI and paying no more in rent than the amount established by LAHD for households earning up to 50% of the median income, OR
- **10% of the dwelling units for Lower Income households**, earning no more than 80% of the AMI and paying no more in rent than the amount established by the Los Angeles Housing Department (LAHD) for households earning up to 60% of the median income.

Projects may qualify for an **additional density bonus to a maximum of 35%** provided the number of set-aside units are increased as follows:

- For each 1% increase in the percentage of Very Low Income affordable units, projects will receive an additional 2.5% density bonus up to a maximum of 35%.
- For each 1% increase in the percentage of Lower Income affordable units, projects will receive an additional 1.5% density bonus up to a maximum of 35%.

Projects qualify for an **additional 10% density bonus up to a maximum of 35%** if they are located on or near a transit corridor or major employment center (see By-Right Incentives, below).

Senior Housing Projects

State law provides an automatic 20% density bonus for housing projects that set-aside 100% of the housing for senior citizens. There are no income or rent restrictions for this bonus. As an incentive to provide affordable housing for seniors, senior housing projects that set aside at least 10% of the units for Lower Income seniors or 5% of the units for Very Low Income seniors will qualify for an additional 15% density bonus, for a total density bonus of 35%. All senior housing projects are required to sign a Covenant with the Los Angeles Housing Department assuring that the units are restricted to seniors for a period of 30 years.

For-Sale Condominium Developments

Condominium developments that set-aside 10% of the dwelling units for buyers who meet the criteria of Moderate Income households (earning no more than 120% of AMI) will qualify for a density bonus of 20%. For each additional 1% set-aside, the developer may receive an additional 1% density bonus up to a maximum of 35%. It is the intent of this program that these units will be owner-occupied.

The owner of the set-aside unit can sell that unit any time at an unrestricted price. At the time of sale, the owner can recoup his/her down payment, and the value of any improvements, but any profit must be shared with the City. The City's share is equal to the percentage by which the initial sale price to the Moderate-Income Household was less than the fair market value of the home at the time of the initial sale. These funds are to be used within three years for the construction,

rehabilitation, or preservation of affordable housing for Extremely Low, Very Low, Lower, and Moderate-Income persons or families. The Los Angeles Housing Department (LAHD) will develop additional guidelines to implement this provision of State law.

Donation of Land in Lieu of Set Aside

State law permits an applicant for a subdivision, parcel map or other residential development approval to obtain a 15% density bonus, if the applicant donates land to the City that meets, at a minimum, the following criteria:

- The developable acreage and zoning of the land being transferred are sufficient to permit construction of at least 10% of the number of residential units in the proposed development.
- The transferred land is at least one acre in size or of sufficient size to permit development of at least 40 units.
- The transferred land is within the boundary of the proposed development, or with the City's agreement, within $\frac{1}{4}$ mile of the development.
- The transferred land is fully entitled to permit the number of required affordable units.
- The applicant donates and transfers the land no later than the date of approval of the final subdivision map, parcel map or residential development application.

For each additional 1% land donated, the applicant may obtain an additional 1% density bonus up to a maximum of 35%. Also, an applicant may receive a density bonus for setting aside affordable units within the development project with the total bonus not to exceed 35%.

Density Bonus Calculation

The number of set-aside and density bonus units is based upon the maximum density allowed in the zone. State law requires that all density and set-aside calculations resulting in a fractional number be rounded up to the next whole number. For example, a 5,000 square foot lot in the R3 zone would permit 6 units (not 7 since the maximum density allowed is not "rounded up"). A 20% bonus would allow 2 extra units (1.2 is rounded up to 2 extra units). The required set-aside for Very Low Income households would be 1 unit (5% of 6 is .03, which is rounded up to 1.)

Term of Affordability

All Lower and Very Low Income rental density bonus units must remain affordable for 30 years (or longer, if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program.) LAHD has determined that equity sharing is the preferred method of ensuring ongoing availability of affordable housing upon re-sale of affordable restricted units. LAHD will be preparing implementing guidelines for the re-sale of Moderate, Lower and Very Low Income restricted units.

Certified Local Coastal Plans

The density bonus proscribes does not apply to any property located within the boundaries of a Certified Local Coastal Plan.

IV. BY-RIGHT INCENTIVES

Parking. State law provides parking standards that may be requested by a developer of a density bonus project and that the City must grant if requested. These standards apply not only to the restricted affordable units (the set-aside units) but also to the entire project. These standards are inclusive of handicapped and guest parking and are as follows:

- 0 – 1 bedrooms: one onsite parking space
- 2 – 3 bedrooms: two onsite parking spaces
- 4 or more bedrooms: 2½ parking spaces

If the total number of spaces required in the development results in a fractional number, it is rounded up to the next whole number. Tandem parking and uncovered parking are also permitted to meet these parking requirements.

Transit Corridor / Major Employment Centers. Projects that meet the following criteria will be granted an additional 10% density bonus, up to a maximum of 35%:

- At or within a 1,500 foot radius of an existing or fully funded major bus center, bus stop along a major bus route (defined as a bus route with peak-hour headways of 15 minutes or less in two directions in at least two of the three hours between 4:00 p.m. and 7:00 p.m.), or mass transit station; or
- At or within a 1,500 foot radius of an intersection of transit priority arterials; or
- In or within a 1,500 foot radius of the boundaries of a regional center; or
- In or within a 1,500 foot radius of boundaries of a major economic activity area (LAX, the Port of Los Angeles and Downtown);
- Within 1,500 feet of the boundaries of a college or university with an enrollment exceeding 10,000 students.

V. OTHER AFFORDABLE HOUSING INCENTIVES

In conformance with State law, at least one incentive or concession, in addition to the density bonus, must be provided to projects that set aside affordable units. The number of incentives increases as the percentage of set-aside units increases, as follows:

Very Low Income Households:

- One Incentive/Concession – 5% set-aside
- Two Incentives/Concessions – 10% set-aside
- Three Incentives/Concessions – 15% set-aside

Low Income and Moderate Income Households:

- One Incentive/Concession – 10% set-aside
- Two Incentives/Concessions – 20% set-aside
- Three Incentives/Concessions – 30% set-aside

Menu of Incentives/Concessions

Projects may request one or more of the following incentives or concessions, depending upon the income level of the targeted households and the percentage of set-aside units, in order to provide the affordable units:

- Up to 20% deviation from yard/setback requirements
- Up to 20% deviation from lot coverage requirements
- Up to 20% deviation from lot width requirements
- Up to 20% deviation from floor area requirements
- Up to 20% deviation from open space requirements
- Up to 20% additional building height, with the exception of properties within a Specific Plan for which 10% additional building height will be permitted
- Include area of street and alley dedication for purposes of calculating density
- A reduction or waiver in parking to include:
 - A reduction in parking requirements to not less than 1 parking space per restricted dwelling unit irrespective of the number of habitable rooms.
 - A reduction in parking requirements to not less than ½ parking space per dwelling unit for dwelling units restricted to Very Low or Low Income senior citizens.

VI. PROCEDURE FOR PROJECTS REQUESTING INCENTIVES/CONCESSIONS

For projects requesting a density bonus and one or more incentives included in the Menu of Incentives/Concessions above, the following procedures shall apply:

- The applicant shall pay the required fee, complete the appropriate environmental clearance and the required form(s) and submit the following to the Department of City Planning: (Note: density bonus projects are eligible for processing by the Expediting Unit, with payment of the appropriate fees.)
 - A summary of the project including location, number and type of housing units, including affordable units and bonus units
 - A parcel profile printout from the Zoning Information Map Access System (ZIMAS) confirming eligibility for the transit corridor incentive (if requested.)
 - The rationale and accurate supporting information, sufficient to demonstrate that the specific request is necessary to make the affordable units feasible.
 - A site plan including floor plans and elevations of the project. The drawings must clearly and completely illustrate the intent of the project and the necessity of the incentive requested.
 - Photographs of the entire site and surrounding properties.

- Information that the proposed project has no adverse impact on an Historic-Cultural Monument as declared by City, State or Federal government.
- The Director of Planning or his/her designee will review the information provided and issue a determination based on State law and these Guidelines.
- In conformance with State law, denial of a request must include documentation that either the concession or incentive is not required to provide for affordable housing, or the concession or incentive will have a specific adverse impact upon public health and safety, on the physical environment or on a property that includes an Historic-Cultural Monument as declared by the City, State or Federal government, and there is no way to reasonably mitigate or avoid the adverse impact without making the project unaffordable to Moderate, Lower or Very Low Income Households.
- Notice and Appeal. Notice of the determination will be provided to the applicant and all owners of properties abutting, across the street or alley from, or having a common corner with the subject property. The determination by the Director of Planning is final unless appealed to the Area Planning Commission within 15 calendar days of the date of mailing. Only the aggrieved applicant and abutting owners who received notice of the determination have the right to appeal. The decision of the Area Planning Commission is final.

For projects requesting an incentive/concession not on the Menu of Incentives/Concessions or a waiver of a development standard, the following procedures shall apply:

- The applicant shall pay the required fee, complete the appropriate environmental clearance, complete the required form(s) and submit the information listed above for projects requesting an incentive on the Menu.
- Hearing and Notice. The Director of Planning or designee will set the matter for public hearing at which evidence will be taken. Written notices shall be mailed, at least 24 days prior to the date of the hearing, to the Certified Neighborhood Council, applicant, property owners and occupants of property within 500' of the property that is the subject of the request.
- The Director of Planning or his/her designee will prepare a report for the City Planning Commission with conclusions and recommendations. The City Planning Commission decision may be appealed to the City Council.
- In conformance with State law, denial of a request must include documentation that either the concession or incentive is not required to provide for affordable housing, or the concession or incentive will have a specific adverse impact upon public health and safety, on the physical environment or on a property that includes an Historic-Cultural Monument as declared by the City, State or Federal government, and there is no way to reasonably mitigate or avoid the adverse impact without making the project unaffordable to Moderate, Lower or Very Low Income Households.

VII. DESIGN STANDARDS FOR AFFORDABLE UNITS

Design of Affordable Units in Mixed-Income Projects

Affordable dwelling units shall be generally comparable to market rate dwelling units, including total square footage, bedroom size, closet space amenities, number of bathrooms, etc., except in the quality of interior “finish” materials (e.g., floor and wall coverings). Affordable units should be no less than 90% of the average square footage of the market rate units with the same number of bedrooms. The design of restricted dwelling units should generally reflect the average number of bedrooms per dwelling unit in the development.

Location of Affordable Units within Mixed-Income Projects

Affordable dwelling units must be reasonably interspersed among market-rate dwelling units within the same building.

Equal Distribution of Amenities

Residents of affordable dwelling units may not be charged for amenities that are provided at no cost to other residents including, but not limited to, access to recreational facilities, parking, cable TV, and interior amenities such as dishwashers and microwave ovens. Optional services provided must be optional for all residents, and available to all under the same terms and conditions. Tenants of restricted units cannot be required to purchase additional services.

VIII. AFFORDABILITY REQUIREMENTS (SEE APPENDIX FOR HOUSEHOLD INCOME, MAXIMUM RENTS AND PURCHASE PRICES)

The Los Angeles Housing Department (LAHD) establishes the affordability restrictions on household income, based upon State law. These restrictions are subject to annual review and an owner can contact LAHD directly to receive the current restrictions. The examples provided in the Appendix (Section XII of these Guidelines) are for calendar year 2005 and represent the maximum that may be charged to Moderate, Lower and Very Low Income residents. For all questions about affordability requirements, contact LAHD at (213) 806-8806.

IX. LAHD MONITORING REQUIREMENTS

All projects shall comply with the annual monitoring requirements established by LAHD by means of a Covenant and Agreement. It is the responsibility of the owner to notify LAHD of any changes in the building that may affect compliance, such as change of ownership, management agent or on-site manager, vacancies in restricted units, or changes in compliance with the Los Angeles Department of Building and Safety (LADBS) requirements.

The following are LAHD requirements (a complete list is found in the LAHD Covenant):

- LAHD reviews all initial tenants' eligibility for affordable, set-aside dwelling units prior to occupancy
- LAHD annually reviews tenants' eligibility for affordable dwelling units.

- Building owners must provide LAHD with an annual review letter identifying the number of restricted dwelling units, household income and size, rent levels, dwelling unit size and verification of vacancies. LAHD may at any time audit a building containing restricted units to monitor the occupancy of these units.
- LAHD may make annual site visits to ensure that the restricted dwelling units are maintained in decent, safe and sanitary condition and that they are provided with the same level of services, including security and maintenance, as are applied to the other dwelling units in the development.
- If violations are found, fees and/or fines may be levied against the owner including the cost of legal action.

X. PROCEDURE FOR OBTAINING HOUSING DEPARTMENT SIGN-OFF FOR BUILDING PERMIT APPLICATION

- In the plan check process, LADBS determines the allowable density.
- LADBS requires a building permit applicant to get a “sign-off” from various City departments, including LAHD, and provides the applicant a “Clearance Summary Worksheet” for this purpose.
- If the project has obtained additional incentive(s) or relief from a development standard, documentation provided by the Department of City Planning should be presented to Building and Safety in the plan check process.
- Owner or his/her representative provides the following information to LAHD, in order for an Agreement Containing Covenants Affecting Real Property (Covenant) to be prepared:
 - Copy of the LADBS Clearance Summary Worksheet
 - Copy of the LADBS “Application for Building Permit and Certificate of Occupancy”
 - Address of site
 - Full legal description of property as specified in the grant deed
 - Property owner’s name, address and telephone number
 - Name and title of individual signing the Agreement on behalf of the owner
 - Name, address and phone number of owner’s representative
 - The incentives being requested and those that require a Covenant
 - The original number of units permitted by the zoning, before bonus
 - Number of units and bedroom mix of units
 - Number of restricted, set-aside units and number of bedrooms contained in each
- LAHD confirms the required number of the restricted affordable units, as specified in the Zoning Code based upon the LADBS Clearance Summary Worksheet, or as required by the Planning Department, and assures that the set-aside units meet all requirements established by these Guidelines
- LAHD determines the rent level or purchase price of the restricted affordable units and prepares a Covenant that establishes the number of such units, the affordability level and the term of affordability.

- The owner signs the Covenant and has it notarized. LAHD then completes the electronic sign-off of the building permit application and has the Covenant recorded by the County of Los Angeles.
- LAHD refers the applicant to LADBS to complete the permitting process.

Prior to the issuance of any Certificate of Occupancy, the following clearance must be obtained:

- Final clearance from LAHD that all conditions of the Agreement Containing Covenants Affecting Real Property have been met.

XI. CONTACT INFORMATION

Los Angeles Housing Department
Occupancy Monitoring Section
1200 W. 7th Street, 9th Floor
Los Angeles, CA 90017
(213) 808-8806

Department of City Planning
City Hall, 200 N. Spring Street, Room 721
Los Angeles, CA 90012
(213) 978-1372

Los Angeles Department of Building & Safety
201/221 N. Figueroa Street
Los Angeles, CA 90012
(888) 524-2845

XII. APPENDIX

PERCENTAGE OF SET-ASIDE UNITS AND CORRESPONDING DENSITY BONUS

VERY LOW INCOME HOUSEHOLDS EARNING <50% AMI		LOWER INCOME HOUSEHOLDS EARNING 50%-80% AMI	
Set-Aside Units	Density Bonus	Set-Aside Units	Density Bonus
5%	20.00%	10%	20.00%
6%	22.50%	11%	21.50%
7%	25.00%	12%	23.00%
8%	27.50%	13%	24.50%
9%	30.00%	14%	26.00%
10%	32.50%	15%	27.50%
11%	35.00%	16%	29.00%
		17%	30.50%
		18%	32.00%
		19%	33.50%
		20%	35.00%

SAMPLE SET-ASIDE UNITS AND DENSITY BONUS FOR 10-UNIT BUILDING

VERY LOW INCOME HOUSEHOLDS EARNING <50% AMI 10 UNITS ALLOWED BY THE ZONING				
Set-Aside Units		Bonus Units		Total Project Units
Calculation	Units	Calculation	Units	
5% x 10 = .50	1	20% x 10 = 2.00	2	12
6% x 10 = .60	1	22.5% x 10 = 2.25	3	13
7% x 10 = .70	1	25% x 10 = 2.50	3	13
8% x 10 = .80	1	27.5% x 10 = 2.75	3	13
9% x 10 = .90	1	30% x 10 = 3.00	3	13
10% x 10 = 1.0	1	32.5% x 10 = 3.25	4	14
11% x 10 = 1.1	2	35% x 10 = 3.50	4	14

LOWER INCOME HOUSEHOLDS EARNING 50%-80% AMI 10 UNITS ALLOWED BY THE ZONING				
Set-Aside Units		Bonus Units		Total Project Units
Calculation	Units	Calculation	Units	
10% x 10 = 1.0	1	20% x 10 = 2.00	2	12
11% x 10 = 1.1	2	21.5% x 10 = 2.15	3	13
12% x 10 = 1.2	2	23% x 10 = 2.30	3	13
13% x 10 = 1.3	2	24.5% x 10 = 2.45	3	13
14% x 10 = 1.4	2	26% x 10 = 2.60	3	13
15% x 10 = 1.5	2	27.5% x 10 = 2.75	3	13
16% x 10 = 1.6	2	29% x 10 = 2.90	3	13
17% x 10 = 1.7	2	30.5% x 10 = 3.05	4	14
18% x 10 = 1.8	2	32% x 10 = 3.20	4	14
19% x 10 = 1.9	2	33.5% x 10 = 3.35	4	14
20% x 10 = 2.0	2	.350 x 10 = 3.50	4	14

SAMPLE SET-ASIDE UNITS AND DENSITY BONUS FOR 50-UNIT BUILDING

VERY LOW INCOME HOUSEHOLDS EARNING <50% AMI 50 UNITS ALLOWED BY THE ZONING				
Set-Aside Units		Bonus Units		Total Project Units
Calculation	Units	Calculation	Units	
5% x 50 = 2.50	3	20% x 50 = 10.00	10	60
6% x 50 = 3.00	3	22.5% x 50 = 11.25	12	62
7% x 50 = 3.50	4	25% x 50 = 12.50	13	63
8% x 50 = 4.00	4	27.5% x 50 = 13.75	14	64
9% x 50 = 4.50	5	30% x 50 = 15.00	15	65
10% x 50 = 5.00	5	32.5% x 50 = 16.25	17	67
11% x 50 = 5.50	6	35% x 50 = 17.50	18	68

LOWER INCOME HOUSEHOLDS EARNING 50%-80% AMI 50 UNITS ALLOWED BY THE ZONING				
Set-Aside Units		Bonus Units		Total Project Units
Calculation	Units	Calculation	Units	
10% x 50 = 5.00	5	20% x 50 = 10.00	10	60
11% x 50 = 5.50	6	21.5% x 50 = 10.75	11	61
12% x 50 = 6.00	6	23% x 50 = 11.50	12	62
13% x 50 = 6.50	7	24.5% x 50 = 12.50	13	63
14% x 50 = 7.00	7	26% x 50 = 13.00	13	63
15% x 50 = 7.50	8	27.5% x 50 = 13.75	14	64
16% x 50 = 8.00	8	29% x 50 = 14.50	15	65
17% x 50 = 8.50	9	30.5% x 50 = 15.25	16	66
18% x 50 = 9.00	9	32% x 50 = 16.00	16	66
19% x 50 = 9.50	10	33.5% x 50 = 16.75	17	67
20% x 50 = 10.0	10	35% x 50 = 17.50	18	68

SAMPLE SET-ASIDE UNITS AND DENSITY BONUS FOR 10-UNIT BUILDING WITH TRANSIT INCENTIVE (EXTRA 10% DENSITY BONUS)

VERY LOW INCOME HOUSEHOLDS EARNING <50% AMI WITH TRANSIT INCENTIVE 10 UNITS ALLOWED BY THE ZONING						
Set-Aside Units		Bonus Units without Transit Incentive		Bonus Units with Transit Incentive		Total Units
Calculation	Units	Calculation	Units		Units	
5% x 10 = .50	1	20% x 10 = 2.00	2	30% x 10 = 3.00	3	13
6% x 10 = .60	1	22.5% x 10 = 2.25	3	32.5% x 10 = 3.25	4	14
7% x 10 = .70	1	25% x 10 = 2.50	3	35% x 10 = 3.5	4	14
8% x 10 = .80	1	27.5% x 10 = 2.75	3	EXCEEDS 35%	4	14
9% x 10 = .90	1	30% x 10 = 3.00	3	“	4	14
10% x 10 = 1.0	1	32.5% x 10 = 3.25	4	“	4	14
11% x 10 = 1.1	2	35% x 10 = 3.50	4	“	4	14

LOWER INCOME HOUSEHOLDS EARNING <50% AMI WITH TRANSIT INCENTIVE 10 UNITS ALLOWED BY THE ZONING						
Set-Aside Units		Bonus Units without Transit Incentive		Bonus Units with Transit Incentive		Total Units
Calculation	Units	Calculation	Units		Units	
10% x 10 = 1.0	1	20% x 10 = 2.00	2	30% x 10 = 3.00	3	13
11% x 10 = 1.1	2	21.5% x 10 = 2.15	3	31.5% x 10 = 3.15	4	14
12% x 10 = 1.2	2	23% x 10 = 2.30	3	33% x 10 = 3.30	4	14
13% x 10 = 1.3	2	24.5% x 10 = 2.45	3	34.5% x 10 = 3.45	4	14
14% x 10 = 1.4	2	26% x 10 = 2.60	3	EXCEEDS 35%	4	14
15% x 10 = 1.5	2	27.5% x 10 = 2.75	3	'	4	14
16% x 10 = 1.6	2	29% x 10 = 2.90	3	'	4	14
17% x 10 = 1.7	2	30.5% x 10 = 3.05	4	'	4	14
18% x 10 = 1.8	2	32% x 10 = 3.20	4	'	4	14
19% x 10 = 1.9	2	33.5% x 10 = 3.35	4	'	4	14
20% x 10 = 2.0	2	.35% x 10 = 3.50	4	'	4	14

SAMPLE SET-ASIDE UNITS AND DENSITY BONUS FOR 50-UNIT BUILDING WITH TRANSIT INCENTIVE (EXTRA 10% BONUS)

VERY LOW INCOME HOUSEHOLDS EARNING <50% AMI WITH TRANSIT INCENTIVE 50 UNITS ALLOWED BY THE ZONING						
Set-Aside Units		Bonus Units without Transit Incentive		Bonus Units with Transit Incentive		Total Units
Calculation	Units	Calculation	Units		Units	
5% x 50 = 2.50	3	20% x 50 = 10.00	10	30% x 50 = 15.00	15	65
6% x 50 = 3.00	3	22.5% x 50 = 11.25	12	32.5% x 50 = 16.25	17	67
7% x 50 = 3.50	4	25% x 50 = 12.50	13	35% x 50 = 17.5	18	68
8% x 50 = 4.00	4	27.5% x 50 = 13.75	14	EXCEEDS 35%		68
9% x 50 = 4.50	5	30% x 50 = 15.00	15	'		68
10% x 50 = 5.00	5	32.5% x 50 = 16.25	17	'		68
11% x 50 = 5.50	6	35% x 50 = 17.50	18	'		68

LOWER INCOME HOUSEHOLDS EARNING <50% AMI WITH TRANSIT INCENTIVE 50 UNITS ALLOWED BY THE ZONING						
Set-Aside Units		Bonus Units without Transit Incentive		Bonus Units with Transit Incentive		Total Units
Calculation	Units	Calculation	Units		Units	
10% x 50 = 5.00	5	20% x 50 = 10.00	10	30% x 50 = 15.00	15	65
11% x 50 = 5.50	6	21.5% x 50 = 10.75	11	31.5% x 50 = 15.75	16	66
12% x 50 = 6.00	6	23% x 50 = 11.50	12	33% x 50 = 16.50	17	67
13% x 50 = 6.50	7	24.5% x 50 = 12.50	13	34.5% x 50 = 17.25	18	68
14% x 50 = 7.00	7	26% x 50 = 13.00	13	EXCEEDS 35%		68
15% x 50 = 7.50	8	27.5% x 50 = 13.75	14	'		68
16% x 50 = 8.00	8	29% x 50 = 14.50	15	'		68
17% x 50 = 8.50	9	30.5% x 50 = 15.25	16	'		68
18% x 50 = 9.00	9	32% x 50 = 16.00	16	'		68
19% x 50 = 9.50	10	33.5% x 50 = 16.75	17	'		68
20% x 50 = 10.0	10	35% x 50 = 17.50	18	'		68

(Please contact Los Angeles City Housing Department at (213) 806-8806 for the most recent Maximum Rents and Income Levels.)

HOUSEHOLD INCOME TABLE UPDATED FOR 2005

Household Size	Very Low Income 50% AMI	Lower Income 80% AMI	Moderate Income 120% AMI
1	\$22,950	\$36,700	\$55,100
2	\$26,200	\$41,900	\$62,900
3	\$29,500	\$47,150	\$70,800
4	\$32,750	\$52,400	\$78,600
5	\$35,350	\$56,600	\$84,850
6	\$38,000	\$60,800	\$91,200
7	\$40,600	\$65,000	\$97,450
8	\$43,250	\$69,150	\$103,800

MAXIMUM RENTS FOR SET-ASIDE UNITS - UPDATED FOR 2005

No. of Bedrooms	Very Low Income 50% AMI	Lower Income 60% AMI	Moderate Income 120% AMI (For sale units only)
0	\$555	\$631	\$1,202
1	\$634	\$720	\$1,372
2	\$714	\$811	\$1,545
3	\$855	\$972	\$1,851
4	\$983	\$1,116	\$2,126

MAXIMUM PURCHASE PRICE FOR SET-ASIDE UNITS UPDATED FOR 2005

Number of Bedrooms	Very Low Income 50% AMI	Lower Income 60% AMI	Moderate Income 120% AMI
0	\$57,375	\$91,773	\$137,882
1	\$65,500	\$104,695	\$163,737
2	\$77,812	\$147,576	\$202,939
3	\$91,687	\$156,815	\$239,836
4	\$104,812	\$159,748	\$267,153